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BEFORE THE ARIZONA CORPORATION COMMISSION

DOCKETED

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CARL J. KUNASEK
CHAIRMANJIM IRVIN
COMMISSIONER
WILLIAM A. MUNDELL
COMMISSIONER

DOCKETED BY

RT

IN THE MATTER OF THE APPLICATION OF
WORLDWIDE FIBER NETWORKS, INC. FOR A
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE FACILITIES-BASED
INTEREXCHANGE TELECOMMUNICATIONS
SERVICES AND PETITION FOR COMPETITIVE
CLASSIFICATION OF PROPOSED SERVICES.

DOCKET NO. T-03777A-99-0496

DECISION NO. 62710OPINION AND ORDER

DATE OF HEARING: June 5, 2000

PLACE OF HEARING: Phoenix, Arizona

PRESIDING OFFICER: Stephen Gibelli

APPEARANCES: Ms. Julie Hawkins, on behalf of Worldwide Fiber
Networks, Inc. and;Mr. Devinti Williams, Staff Attorney, Legal Division,
on behalf of the Utilities Division of the Arizona
Corporation Commission.**BY THE COMMISSION:**

Having considered the entire record herein and being fully advised in the premises, the
Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

FINDINGS OF FACT

1. Worldwide Fiber Networks, Inc. ("Applicant" or "Worldwide") is a Nevada
corporation, authorized to do business in Arizona since 1999.

2. On September 3, 1999, Worldwide filed with the Commission an application for a
Certificate of Convenience and Necessity ("Certificate") to provide competitive facilities-based
interexchange telecommunications services in Arizona.

3. On November 10, 1999, U S West Communications, Inc. ("U S WEST") filed a
Motion for Leave to Intervene.

4. On February 25, 2000, the Applicant filed a supplement to its application.

1 5. On February 29, 2000, the Commission's Utilities Division Staff ("Staff") filed its
2 Staff Report, which recommended approval of the application and included a number of additional
3 recommendations.

4 6. On March 1, 2000, U S WEST filed a Motion to Withdraw from the proceeding.

5 7. On April 7, 2000, a Procedural Order was issued setting the hearing for June 29, 2000.

6 8. Our May 15, 2000 Procedural Order was issued changing the hearing date to June 5,
7 2000. Pursuant to that Procedural Order, a hearing was held on June 5, 2000, and the Applicant and
8 Staff presented evidence.

9 9. On May 16, 2000, Applicant filed Affidavits of Publication indicating that Worldwide
10 published notice of the application.

11 10. The management of Worldwide has many years of experience in the
12 telecommunications industry.

13 11. Applicant has the technical capability to provide the services that are proposed in its
14 application.

15 12. Currently there are several incumbent providers of local exchange, toll, and exchange
16 access services in the service territory requested by Applicant, and at least twelve other entities have
17 been authorized to provide competitive interexchange services in all or portions of that territory.

18 13. It is appropriate to classify all of Applicant's authorized services as competitive.

19 14. The Staff Report stated that Applicant has no market power and the reasonableness of
20 its rates would be evaluated in a market with numerous competitors.

21 15. Staff recommended that Worldwide's application for a Certificate to provide
22 competitive facilities-based interexchange telecommunications services be granted subject to the
23 following conditions:

24 (a) That Worldwide be required to file its proposed tariffs within 30 days of an
25 Order in this matter, and in accordance with this Decision;

26 (b) That Worldwide agree to abide by and participate in the AUSF mechanism
27 instituted in Decision No. 59623, dated April 24, 1996 (Docket No. R-0000-
28 95-0498);

 (c) That Worldwide be required to certify, through the 911 service provider in the

1 area in which it intends to provide service, that all issues associated with the
2 provision of 911 service have been resolved with the emergency service
3 providers before it begins to provide local exchange service;

4 (d) That Worldwide be required to certify that all notification requirements have
5 been completed prior to a final determination in this proceeding; and,

6 (e) That Worldwide be required to abide by all Commission rules and regulations.

7 16. According to Staff, Worldwide has submitted the financial statements of its parent
8 company Worldwide Fiber (USA), Inc., ("WFUSA") for the period from February 11, 1998 to
9 December 31, 1998. These financial statements list assets of \$46 million, retained earnings of \$1.9
10 million, total equity of \$5.8 million, and a net income of \$1.9 million on revenues of \$21.1 million.
11 The Applicant also submitted the SEC Form 6-K of WFUSA's parent company, Worldwide Fiber,
12 Inc. ("WF"), for the six months ending June 30, 1999. These statements list assets of \$365.0 million,
13 retained earnings of \$21.4 million, total equity of \$55.5 million, and a net income of \$10.6 million on
14 revenues of \$81.1 million.

15 17. Based on the financial information provided, Staff believes that Worldwide has
16 sufficient financial strength to offer telecommunications services in Arizona.

17 CONCLUSIONS OF LAW

18 1. Applicant is a public service corporation within the meaning of Article XV of the
19 Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

20 2. The Commission has jurisdiction over Applicant and the subject matter of the
21 application.

22 3. Notice of the application was given in accordance with the law.

23 4. A.R.S. § 40-282 allows a telecommunications company to file an application for a
24 Certificate to provide competitive telecommunications services.

25 5. Pursuant to Article XV of the Arizona Constitution as well as the Arizona Revised
26 Statutes, it is in the public interest for Applicant to provide the telecommunications services set forth
27 in its application.

28 6. With the conditions stated below, Worldwide is a fit and proper entity to receive a
Certificate authorizing it to provide competitive facilities-based interexchange telecommunications
services in Arizona.

7. The telecommunications services that the Applicant intends to provide are competitive within Arizona.

8. Pursuant to Article XV of the Arizona Constitution as well as the Competitive Rules, it is just and reasonable and in the public interest for Applicant to establish rates and charges which are not less than the Applicant's total service long-run incremental costs of providing the competitive services approved herein.

9. Staff's recommendations in Findings of Fact No. 15 are reasonable and should be adopted.

ORDER

IT IS THEREFORE ORDERED that the Application of Worldwide Fiber Networks, Inc. for a Certificate of Convenience and Necessity for authority to provide competitive facilities-based interexchange telecommunications services shall be, and is hereby, granted, as conditioned below.

IT IS FURTHER ORDERED that prior to providing local exchange service, Worldwide Fiber Networks, Inc. shall comply with all of the Staff recommendations set forth in Findings of Fact No. 15.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.


CHAIRMAN


COMMISSIONER


COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 30th day of June, 2000.


BRIAN C. McNEIL
EXECUTIVE SECRETARY

DISSENT _____
SG:bbs

1 SERVICE LIST FOR: WORLDWIDE FIBER NETWORKS, INC.

2 DOCKET NO.: DOCKET NO. T-03777A-99-0496

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